

Economic Vitality

GOAL: *Increase employment and self-sufficiency.*

December 18, 2006



Government Management, Accountability and Performance – GMAP

Our Agenda Today

Primary Measures:

- Federal Incentive Measures for Child Support
- Total Child Support Collections
- Child Support Retained by the State
- Non-Custodial Parents Paying Support

Secondary Measures/Additional Information:

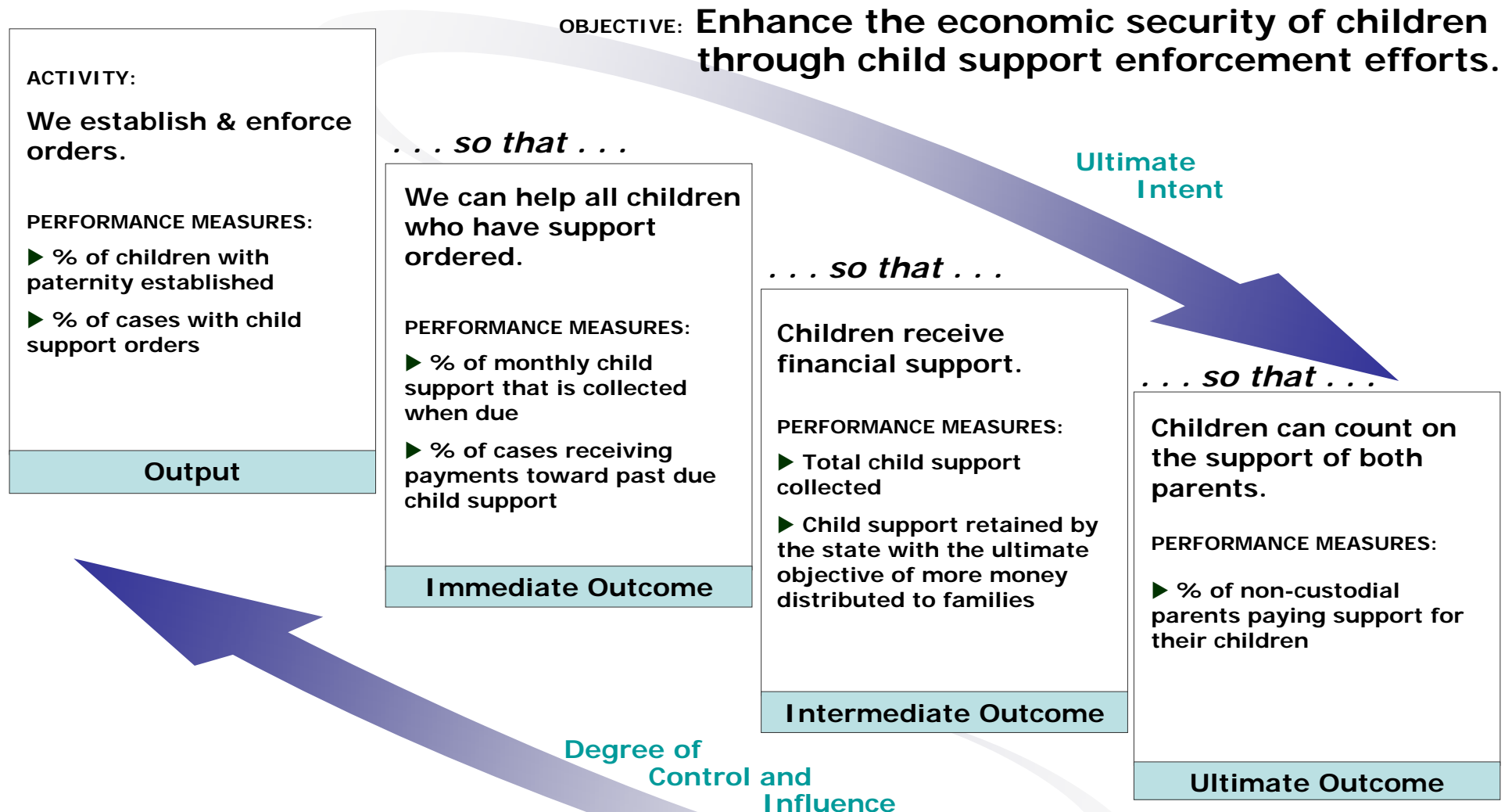
- Paternity Establishment
- Child Support Orders
- Current Collections
- Past-Due Collections

Presented by:

Deb Marley, Assistant Secretary, Economic Services Administration

Economic Vitality

GOAL: Increase employment and self-sufficiency.



Economic Vitality

FALLING
BEHIND

YELLOW

GOAL: Increase employment and self-sufficiency.

OBJECTIVE: Enhance the economic security of children through child support enforcement efforts.

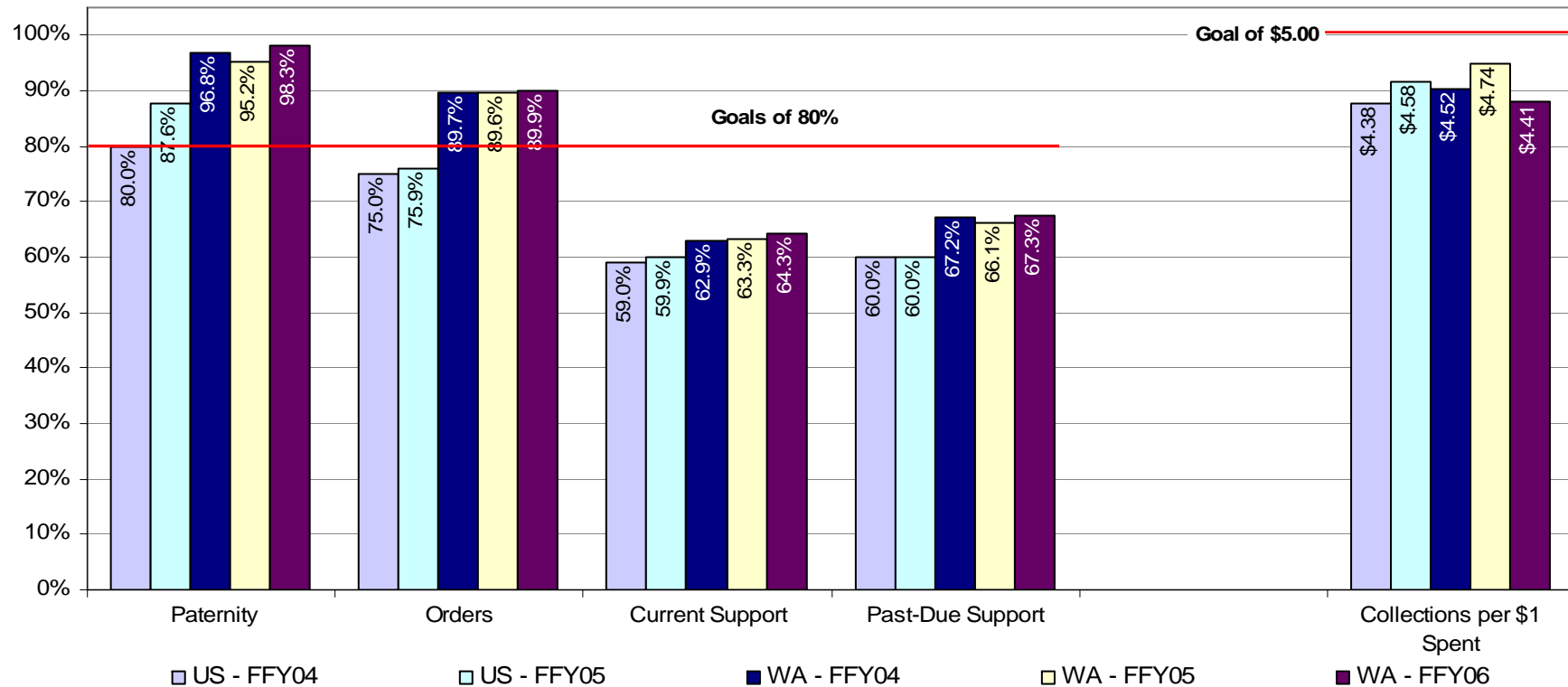
CONTACT

David Stillman, Division
of Child Support
360-664-5440

MEASURE | Overview of Federal Incentive measures

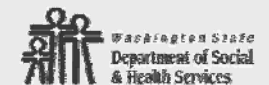
TARGET | 80% for 1st 4 measures; \$5.00 for last
measure. (Set by federal law)

TREND | Slight increase in all measures except
Collections-to-Cost.



Data Notes

Source: OCSE Preliminary Reports for FFY2004 and FFY2005. OCSE-34A, OCSE-157, and OCSE-396A Reports for submitted for FFY2006.
NOTE: Weightings for the Federal Incentive calculations are 100% for Paternity, Orders, and Current Support; Past-Due support and Collections per \$1 Spent are weighted at 75%.



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MEASURE | Overview of Federal Incentive measures



ANALYSIS |

Overall performance on all five measures

- 2006 score = 86.2 percent (estimated)
- 2005 score = 87.8 percent
- Federal incentives, when matched, make up 1/4 of DCS funding:
 - Washington earned \$12.7 million in most recent award notification received 11/2006.

CHALLENGES |

- More states are achieving stronger results competing for limited pool of incentive funds.
- Federal legislation (DRA) ends the ability to match federal incentive dollars beginning Oct 1, 2007.
- Recently increased staffing fill rate target from 94% to 96% because of positive, short-term budget outlook from Supplemental funding.
- A 6th federal measure for medical insurance support is anticipated shortly.

Action	Who	Due Date
Build a culture of continuous learning through child support-specific training to line staff.	Ellen Nolan Connie Ambrose	Ongoing
Add and utilize Performance Analysts in the field to address local performance issues.	Connie Ambrose	Completed/ Ongoing
Continue focusing on Current Support and Past Due Support (39% of total incentives).	Connie Ambrose	Ongoing

Economic Vitality

ON TARGET



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OBJECTIVE: Enhance the economic security of children through child support enforcement efforts.

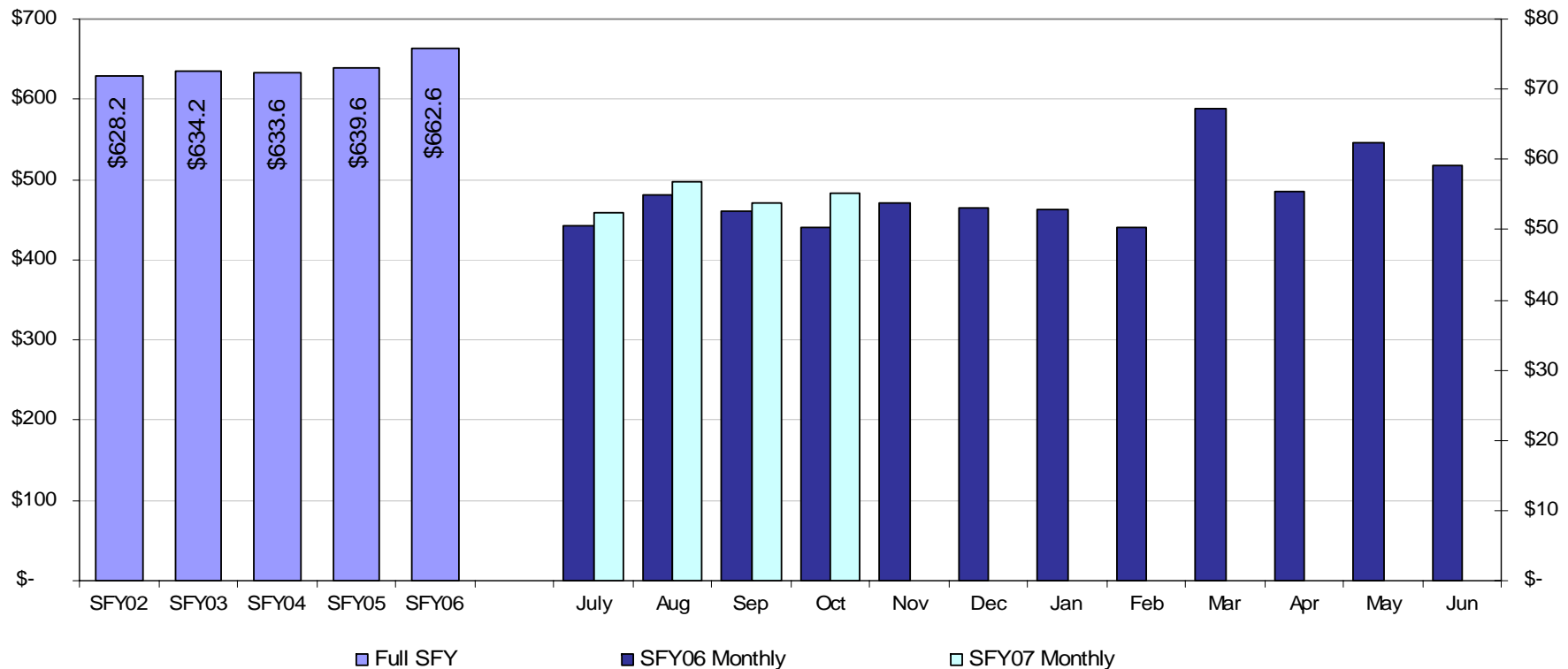
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MEASURE | Total child support collected

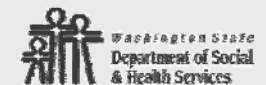
**TARGET | Budget Office Allotment - \$646.22 Million for SFY2007
per June 06 forecast.**

TREND | Overall Collections Increasing



Data Notes

Source: Division of Child Support SEMS (Support Enforcement Management System) and DSHS Executive Management Information System.



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MEASURE | Total child support collected

ANALYSIS |

- SFY2006 collections up \$23 million over SFY05.

	2003	2004	2005	2006
Collections	\$634M	\$634M	\$640M	\$662.6M
Allotted	\$764M	\$638M	\$645M	\$649.9M
Difference	-\$130M	-\$4M	-\$5M	\$12.7M

- \$218.0 Million collected July thru Oct 2006 is a 4.6% increase over the \$208.5 collected July thru Oct 2005.
- Collections are 3.6% above the Budget Office Forecast of \$210.4 Million for this time period.

CHALLENGES |

- Relatively flat economy through 2005, but economic indicators turning up.
- Between 2002 and 2006:
 - Number of cases increased 13.8%
 - Staff levels decreased 0.4%
- Federal legislation (DRA) will not allow federal matching on incentive dollars after Oct 1, 2007. This equates to approximately 20% of DCS funding being cut.
- Federal legislation (DRA) will require more resources focused away from collections onto medical insurance enforcement.

Action	Who	Due Date
E-Referral enhancements to strengthen information flow between the Community Services Division and the Division of Child Support.	John Clayton	Present – 12/06
Enhanced automated wage withholding logic. Expect post-implementation analysis 12/06.	Wally McClure	Implement 7/25/06.
Continuous learning through Child Support-focused training for Support Officers in the field including recent DCS and WICSEC Conference (11/06).	Ellen Nolan Connie Ambrose	Ongoing
Increase employer compliance with New Hire Reporting program – recent marketing blitz with ES and L&I; hired Employer Project Manager, 4/06.	Doug Cheney	3/06 – 3/07

Economic Vitality

ON TARGET



GOAL: Increase employment and self-sufficiency.

OBJECTIVE: Enhance the economic security of children through child support enforcement efforts.

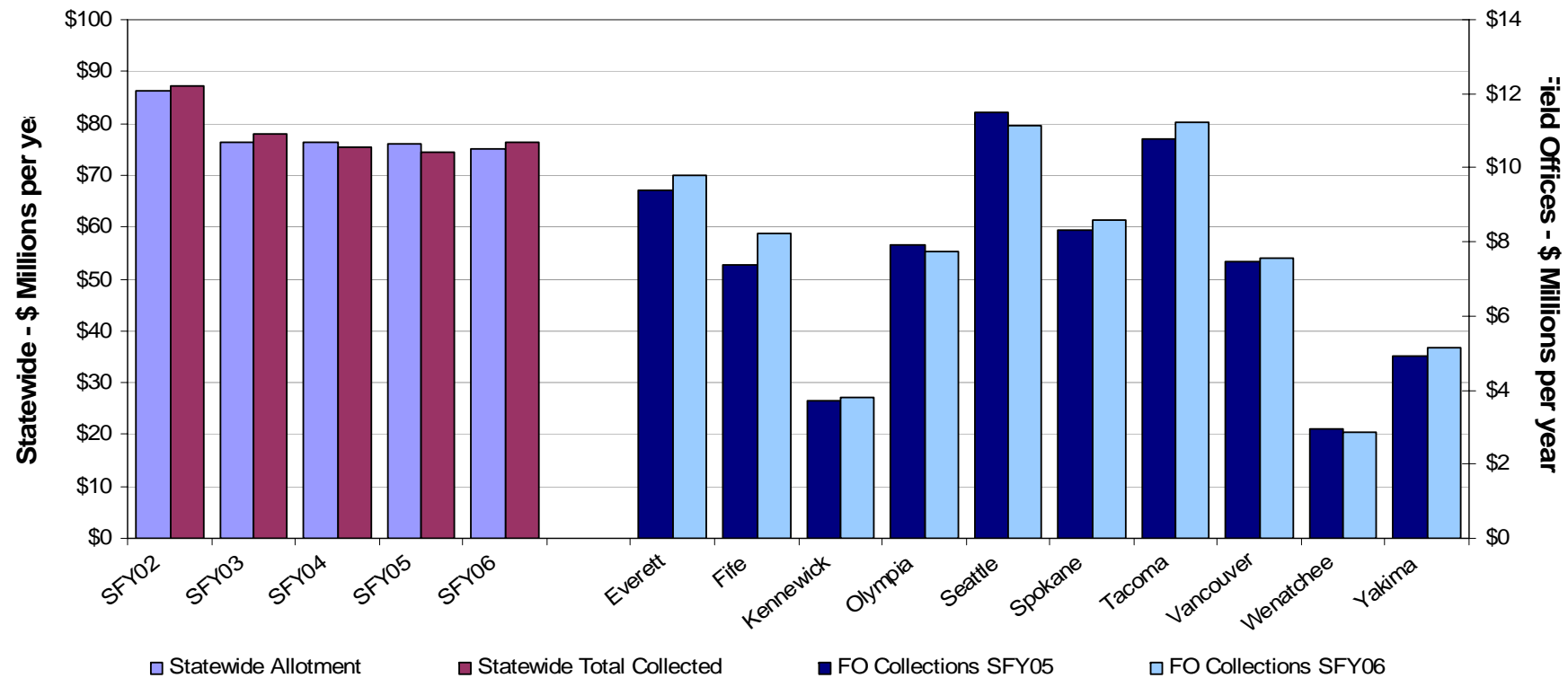
MEASURE | Child Support retained by the State

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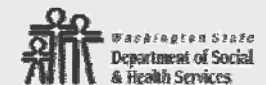
TARGET | Budget Office Allotment -
\$75.1 million for SFY 2006

TREND | Exceeded SFY 06 target



Data Notes

Source: Division of Child Support SEMS (Support Enforcement Management System) and DSHS Executive Management Information System.



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MEASURE | Child Support retained by the State



ANALYSIS |

- Retained support had decreased by \$18.5 million in past six years:
 - SFY06 = \$76.3 million
 - SFY00 = \$94.8 million

-24% change
- \$21.0 Million collected Jul-Oct 2006 at same level as 2005. \$0.8 above Budget Office forecast.
- Decline expected as more money goes to the families unless WorkFirst caseload increases.
- This is a budget driver for state government.

CHALLENGES |

- Major shift by federal government – Oct. 1, 2000: from government retaining money to help recover welfare outlays, to providing more money to families who had been on welfare.
- Optional DRA 2005 provisions to pass-through provisions will assist WorkFirst families but will decrease retained support dollars.
- Child support retained by the state goes to the General Fund State Budget not specifically to offset WorkFirst outlays.
- Mandatory change in assignment from DRA 2005 will have a negative fiscal impact on retained support beginning in SFY2010.

Action	Who	Due Date
Educate budget developers regarding this measure and its continuing impact on the budget.	David Stillman	Ongoing

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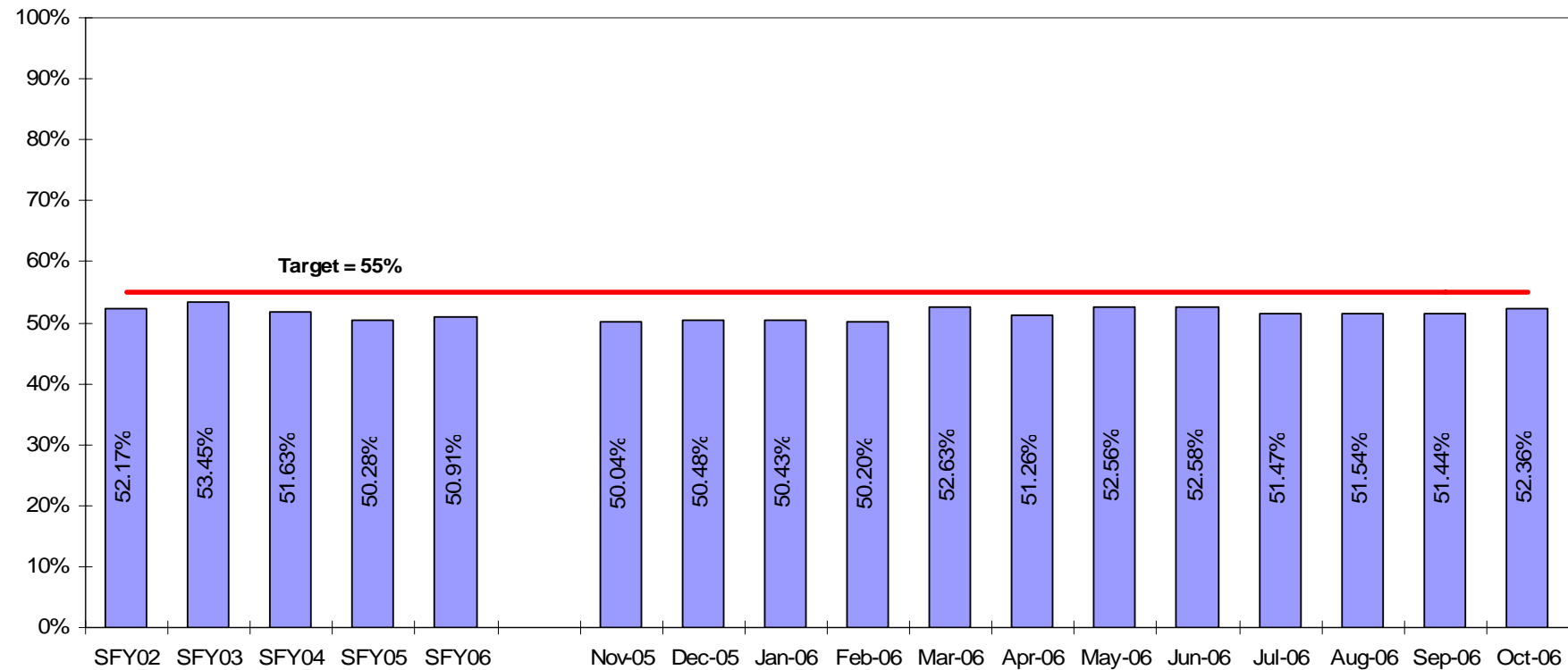
MEASURE | Percent of non-custodial parents paying support for children

CONTACT

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TARGET | 55% - set by ESA.

TREND | Slight increasing trend continues from SFY05.



Data Notes

Source: Division of Child Support SEMS (Support Enforcement Management System).

Economic Vitality

MEASURE | Percent of non-custodial parents paying support for children



ANALYSIS |

- Showing 50.9% average in SFY 2006 with a slight upward trend.
- SFY 2005 Score = 50.3%
- SFY 2004 Score = 51.6%
- A large measures likely moved incrementally with given tools and resources.

CHALLENGES |

- Relatively flat economy, but economic indicators turning up.
- Between 2002 and 2006:
 - Number of cases increased 13.8%
 - Staff levels decreased 0.4%
- NCP information exchanged via e-referrals improving and needs continuous quality improvement efforts.
- Medical Enforcement Only (MEO) cases will never be paying cases but are in the mix. Approximately 35,000 Medicaid cases expected into our system this year, some percentage of which will be MEO.

Action	Who	Due Date
E-Referral enhancements to strengthen information flow between the Community Services Division and the Division of Child Support.	John Clayton	Present – 12/06
Enhanced automated wage withholding logic. Expect post-implementation analysis 12/06.	Wally McClure	Implement 7/25/06.
Continuous learning through Child Support-focused training for Support Officers in the field including recent DCS and WICSEC Conference (11/06).	Ellen Nolan Connie Ambrose	Ongoing
Increase employer compliance with New Hire Reporting program – recent marketing blitz with ES and L&I; hired Employer Project Manager, 4/06.	Doug Cheney	3/06 – 3/07

Subsequent slides contain additional detailed data if needed.

Special slides included per request:

#14 - Bright Start Paternity Grant Project status update.

#21-23 – Yakima specific data, barriers, and initiatives.

Economic Vitality

ON TARGET



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OBJECTIVE: Enhance the economic security of children through child support enforcement efforts.

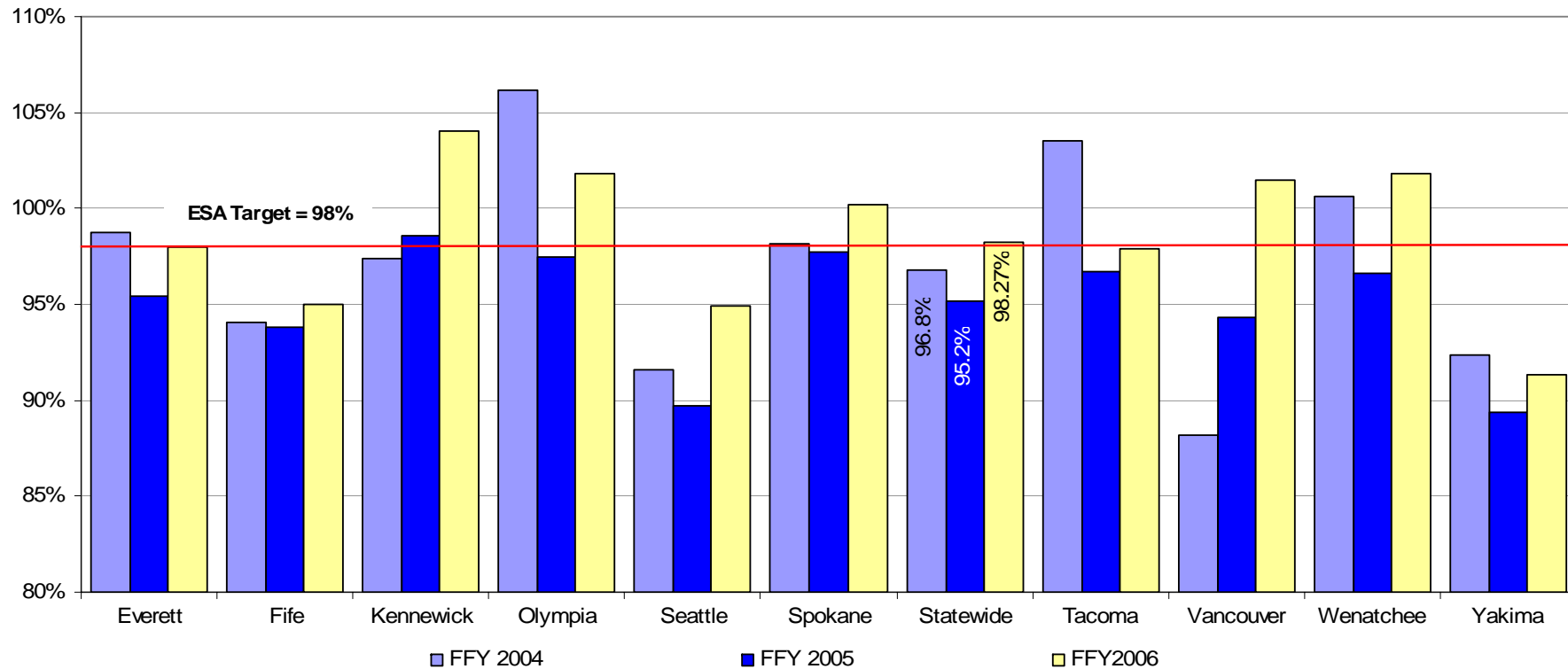
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MEASURE | **Percent of children with paternity established**

TARGET | **98% - Set by ESA**
80% - federal target

TREND | **Increase seen in FFY06**



Data Notes

Source: Division of Child Support SEMS (Support Enforcement Management System) data for FFY2006 and OCSE (Office of Child Support Enforcement) FFY2004 and FFY2005 Preliminary Reports.



Economic Vitality

MEASURE | Percent of children with paternity established



ANALYSIS |

- 2006 Score = 98.3%
- 2005 Score = 95.2%
- 2004 Score = 96.8%
- DCS earns 100% of this federal incentive.
- Cost of establishing paternity (naming legal father of child):
 - Court process: \$1600
 - Affidavit: < \$150
- Major paternity recoding, internal review, and FO project helped boost performance at the end of FFY06. Phase 2 of effort is underway.

CHALLENGES |

- More children born to unwed parents entering Washington's caseload; mirrors national trend.
- Improve hospital participation in offering affidavit at time of child's birth.
- Prosecutors unable to proceed with paternity establishment without signed statement from natural mother naming alleged father. E-referrals created a gap in this area.
- Data Integrity: Although computer changes and staff training were implemented in this area last summer, recent audits suggest paternity data reliability and coding may still be an area of concern. The audit staff are analyzing the sources of the problem at this time and will make recommendations to DCS Management Team shortly. Federal dollars are at risk if data reliability standards are not met.

Action	Who	Due Date
Continue federally-funded Healthy Marriage and Fatherhood Initiatives. Demonstration site in Lakewood with Yakima site decision pending.	Ellen Nolan Connie Ambrose	Ongoing – 2010
Continue federally-funded Bright Start grant to resolve paternity without court action. Demonstration sites in Tacoma, Fife, Yakima, and Vancouver.	John Hoover	10/05 – 9/08
Performance Analysts in the field focus on Paternity and other data integrity issues.	Connie Ambrose	Phase 1 completed 10/06

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MEASURE | **Percent of children with paternity established**



ADDITIONAL INFORMATION ABOUT *BRIGHT START* |

- 17 hospitals are participating in this effort, linked to four of our ten field offices across the state. *Bright Start* is completing its first of three years of the project.
- Elements being tested in these pilot hospitals:
 - Will providing more support to have notaries on site 24/7 increase the number of affidavits obtained when children are born?
 - Will providing parents with the opportunity to seek genetic tests at the time of delivery increase the number of affidavits obtained, thereby avoiding higher court process costs to establish paternity later?
- New training materials and a video were developed and delivered to hospitals.
- Genetic Testing: 55 requests for genetic testing to date; on track to receive over 200 referrals during the operational phase of the grant.
- Parenting Plans: Limited results after first year led to a thoughtful revision of our approach for referrals to Dispute Resolution Center for all unmarried parents when the child is born to those with child support cases established and being worked.
- All 17 hospitals participating in the Bright Start Project have been trained and all have video equipment they requested. To date we have funded an additional 24 notaries and expect to add about 15 in the next few months.

Percentage of Affidavits Signed by Single-Parents (PASS) Ratios

Jun-2000	Jun-2001	Jun-2002	Jun-2003	Jun-2004	Dec-2005	Oct-2006
57.9%	61.6%	62.0%	63.0%	68.0%	73.1%	77.4%

Data Notes

The Percentage of Affidavits Signed by Single-Parents (PASS) ratio is a DCS developed measure that attempts to capture how many affidavits are obtained at DOH in a given month as compared to the number of births to unwed parents. A somewhat artificial equation feeds this measure due to lags in DOH birth information, but it has provided reasonable historic trend data.



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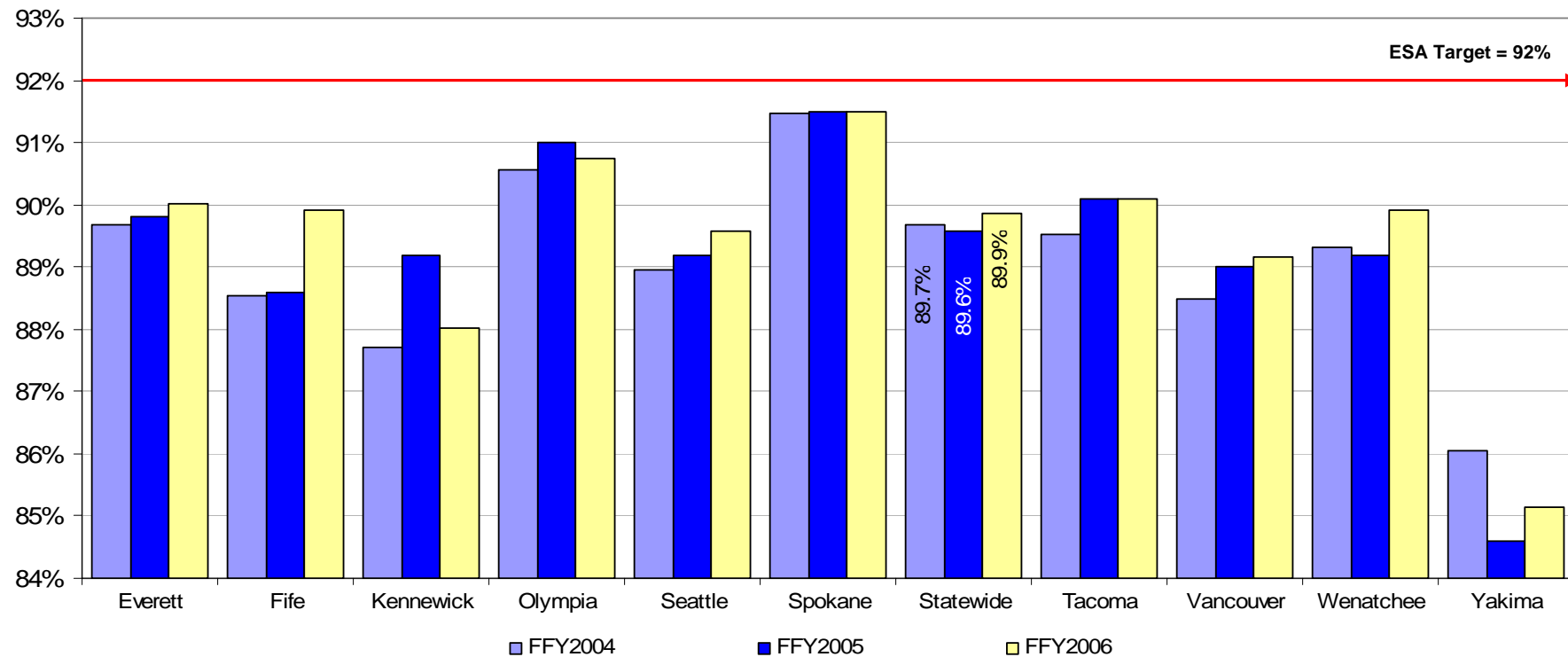
MEASURE | Percent of cases with child support orders

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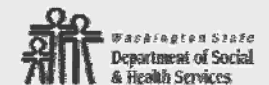
TARGET | 92% - set by ESA
80% - federal target

TREND | Slight increase



Data Notes

Source: OCSE-157 report submitted to OCSE for FFY06. OCSE FFY2004 and FFY2005 Preliminary Reports.
See slides 21 & 22 for more specific Yakima information.



Economic Vitality

MEASURE | Percent of cases with child support orders



ANALYSIS |

- FFY2006 Score = 89.9%
- 2005 Score = 89.6%
- 2004 Score = 89.7%
- Almost 10 percent above 80 percent Federal Target for 100% of federal incentive.
- Rank 3rd in the nation in FFY2005 based on OCSE Incentives Earned Report. #1 state is South Dakota at 96.0%.
- Type of Order Establishment for SFY06:
 - Court 47.1%
 - Administrative 52.9%

CHALLENGE |

- Increasing number of new cases without orders.
- An influx of up to 35,000 new Medicaid cases was expected in SFY06 and was expected to dilute performance on this measure. The in-flow of these cases started Jan 18, 2006. Volume has not fully materialized.
- Medicaid applications to CSD are often mail-in. Therefore, CSD staff do not have info about NCPs to load into ACES for e-Referral to DCS. This delays DCS order establishment efforts.

Action	Who	Due Date
Closely monitor monthly performance to continue and improve success in this area.	DCS/Prosecuting Attorneys	Ongoing
Improve e-referral data to establish support orders more quickly.	John Clayton	Ongoing
Increased emphasis on paternity establishment including emphasizing paternity affidavit efforts at hospitals and working with prosecutor staff.	DCS/DOH/ Prosecuting Attorneys	Ongoing

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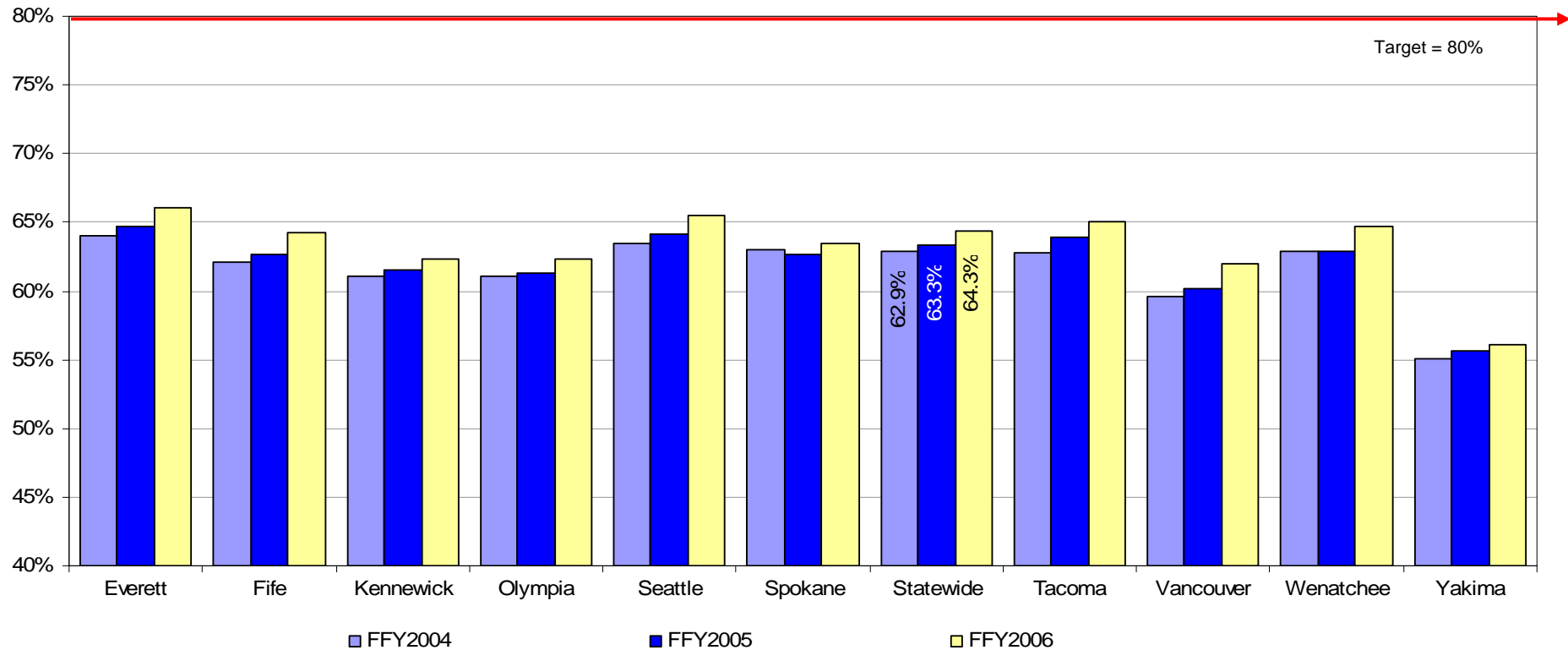
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MEASURE | Percent of monthly child support that is collected when due

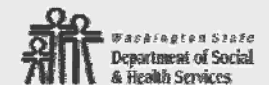
TARGET | 80% to receive 100% of the federal incentive payment
(Set by federal law)

TREND | Slight increasing trend



Data Notes

Source: Division of Child Support SEMS (Support Enforcement Management System) data for FFY2006.
OCSE FFY2004 and FFY2005 Preliminary Reports.



Economic Vitality

MEASURE | Percent of monthly child support that is collected when due



ANALYSIS |

- 2006 Score = 64.3%
- 2005 Score = 63.3%
- 2004 Score = 62.9%
- 12th in nation in FFY2004. 17th in FFY2005 on OCSE Incentives Earned Report. #1 state is Pennsylvania at 74.7% in FFY2005.
- DCS expects to earn 74% of the maximum federal incentive in this area for FFY2006.
- A major DCS focus since this measure means the most for family self-sufficiency and is given 100% weighting in incentive award calculations.

CHALLENGES |

- Relatively flat economy, but economic indicators turning up.
- Between 2002 and 2005:
 - Number of cases increased 13.8%
 - Staff levels decreased 0.4%
- NCP information exchanged via e-referrals improving but still needs attention via continuous quality improvement efforts.

Action	Who	Due Date
E-Referral enhancements to strengthen information flow between the Community Services Division and the Division of Child Support.	John Clayton	Present – 12/06
Enhanced automated wage withholding logic. Expect post-implementation analysis 12/06.	Wally McClure	Implement 7/25/06.
Continuous learning through Child Support-focused training for Support Officers in the field including recent DCS and WICSEC Conference (11/06).	Ellen Nolan Connie Ambrose	Ongoing
Increase employer compliance with New Hire Reporting program – recent marketing blitz with ES and L&I; hired Employer Project Manager, 4/06.	Doug Cheney	3/06 – 3/07

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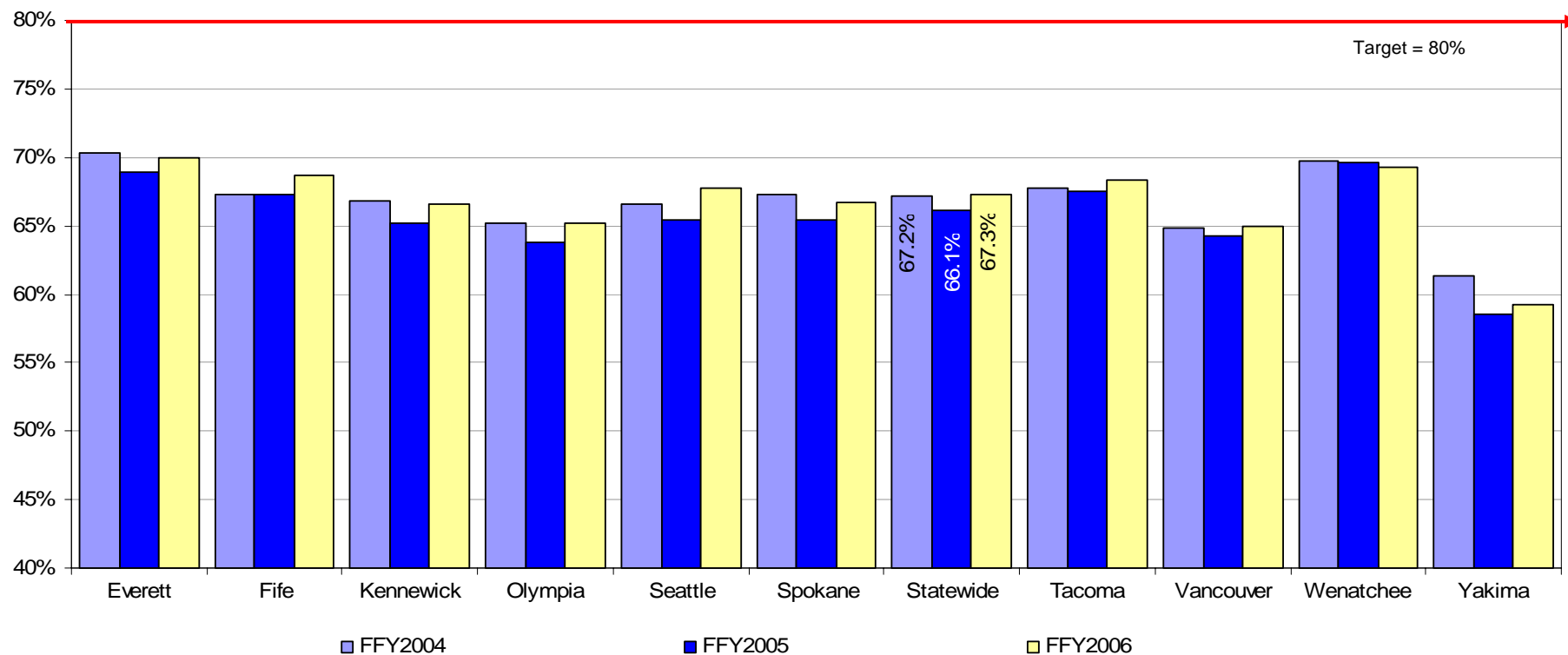
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MEASURE | Percent of cases receiving payments toward past-due child support

TARGET | 80% to receive 100% of the federal incentive payment
(Set by federal law)

TREND | Increased over 2006



Data Notes

Source: Division of Child Support SEMS (Support Enforcement Management System) data and OCSE Preliminary Reports for FFY2004 and FFY2005.

Economic Vitality

MEASURE | **Percent of cases receiving payments toward past-due child support**



ANALYSIS |

- 2006 Score = 67.3%
- 2005 Score = 66.1 %
- 2004 Score = 67.2 %
- 6th in nation in FFY2004. 11th in FFY2005 on based on OCSE Incentives Earned Report. #1 state is Pennsylvania at 73.5% at year-end FFY2005.
- 77% of the maximum federal incentive earned.

CHALLENGES |

- If order amounts are set using imputed income, monthly order amounts are often set too high for income and debt continues to grow.
- Dollars collected first apply to current support before past-due support.
- Past-due debt harder to collect as time passes.

Action	Who	Due Date
E-Referral enhancements to strengthen information flow between the Community Services Division and the Division of Child Support.	John Clayton	Present – 12/06
Enhanced automated wage withholding logic.	Wally McClure	Implemented 7/25/06
Continuous learning through Child Support-focused training for Support Officers in the field.	Ellen Nolan Connie Ambrose	Ongoing
Increase employer compliance with New Hire Reporting program – recent marketing blitz with ES and L&I; hired Employer Project Manager, 4/06.	Doug Cheney	3/06 – 3/07
IRS – Preparing for IRS refund intercept season by ensuring data codes are properly set.	Performance Analyst Group under Connie Ambrose	2/07



Uniquely Yakima... Tribal Caseload Challenges and Initiatives

Challenges

- 10% of Yakima DCS's cases have a tribal connection—either a tribal member or the NCP is working for a tribal employer. (Compared to 3.5% statewide avg.)
- No cooperative agreement, nor does DCS have access to tribal court to move cases forward.
 - Restrictions exist for DCS due to Tribal Resolution 140-93, prohibiting DCS from initiating a tribal court action.
 - Currently, 925 cases cannot proceed as they need order establishment and tribal court action.
 - Paternity establishment for tribal children is a key and sensitive issue to the Yakama Nation as it may impact tribal enrollment.
- Current means of collection are limited to voluntary payments, voluntary wage assignments, occasional license suspension and IRS refund intercepts.

Initiatives

- Yakima DCS has tribal cases in a special caseloads
 - 2.5 staff are dedicated to these cases.
- SEO Abel French meets with tribal clients by working one day each week at the Yakama Nation Office of Legal Counsel—outstation in Toppenish.
- A special genetic testing project is underway with the Yakama Nation to assist in the establishment of paternity through tribal court.
 - Paternity establishment and tribal enrollment sovereignty issues are important and sensitive matters.
 - By partnering with the tribes to facilitate genetic testing for tribal members with pending paternity matters before tribal court, opportunities for the possibility of child support orders and supporting children expand.

Uniquely Yakima... Tribal Caseload Challenges and Initiatives

Progress and Results

- Through the patient and cooperative efforts of SEO Abel French, five tribal employers now honoring voluntary wage assignments for child support.
 - Jan. 2003: 2 Tribal Employers participating impacting 23 NCPs.
 - Sep. 2006: 5 Tribal Employers participating impacting 41 NCPs.
- Proactive efforts for DCS to review and discharge inappropriate DSHS debt on tribal cases. This builds better working relationships with tribal NCPs.
 - Since 1998, 237 cases have had debt discharged, totaling \$3,575,312.
- Yakima's hands-on approach with the genetic testing has resulted in five individuals being tested: mom, dad and child on one case and child and dad on another. Both cases had positive results. Orders are pending.



Uniquely Yakima... Area Demographic Challenges & Initiatives

Challenges

- 52.4% of all citizens in Yakima County utilize some DSHS service.
- August 2006: Yakima County had highest unemployment rate in Washington at 7.2%.
- Job growth in Yakima County between 6/05 and 6/06 was 0.6%, one of the lowest five counties in the state.
- 9.9% of Yakima's custodial parents and 11.1% of its non-custodial parents are noted as Limited English Proficient (LEP). (The statewide LEP average is 3.4%)

Initiatives

- Yakima DCS contracts for full-time, in-office interpreter services. There are also nine LIST certified staff working in Yakima DCS.
- Yakima LPA partners have federal a "Jobs for Low Income" (JOLI) grant application pending with OCSE. If approved, the effort will translate into jobs for 150 WorkFirst parents and NCPs at Fiesta Foods.
- DCS, WAPA, Yakima Prosecutors, DCS, People for People (area non-profit service provider) are working on a "Young Fathers Initiative" funded by DCS through June 2007. This effort targets unmarried young fathers with intensive case management and employment services and training.
- Supervisor Kathy Kissler lead focused effort to work with local process service contractor. This has increased the number of timely and valid personal services deliveries that will lead to child support order establishment.
- Yakima area is one of the Bright Start Paternity Project test areas and there have been recent meetings between project staff and area hospitals.